DOCUMENT RESUME

ED 149 900 RC 010 316

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TITLE Pelly Bay, N.W.T.: Profile of a Cooperative Community.
PUB DATE Apr 74
NOTE 32p.; Some parts of this document may be marginally legible due to print quality of this original

EDRS PRICE MF-$0.83 HC-$2.06 Plus Postage.
DESCRIPTORS Administrative Organization; American History; Collective Settlements; *Community Development; *Community Resources; *Cooperatives; Economically Disadvantaged; *Economic Development; *Eskimos; Rural Economics; Self Help Programs; Socioeconomic Influences
IDENTIFIERS Arctic; *Canada; *Koomiut Cooperative

ABSTRACT

The development of Arctic Canada's resources has historically been guided by two contrasting administrative approaches: one favoring the free play of profit motives in a laissez-faire market economy and the other the coordination of development through formalized government planning. In both approaches, Eurocanadians are the dominant figures, while Eskimos are depressed and subservient. Against this background, a third approach to development is emerging--the Arctic cooperative movement. This movement aims to encourage Eskimos to participate directly in the development of their communities. Pelly Bay, an isolated Eskimo community on Simpson Peninsula, joined the Arctic cooperative movement in 1966. The coop's first priority is to satisfy the immediate, basic needs of the community for an Eskimo-owned retail store and for a producers' coop to encourage local industry. Today, its program is one of the most ambitious of the Arctic coops involving tourism, large-scale commercial fishing, and air transport. At present, every family is a member of the coop, and all decisions are made through the elected board of directors and executed by the coop manager and his staff. To date, coop ventures have been successful; community morale is high and coop revenues continue to increase. Yet, local initiative is often curtailed by poor communication between the village and the myriad of government agencies regulating Northern development. (Author/NQ)

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PELLY BAY, N.W.T.: PROFILE OF A COOPERATIVE COMMUNITY

April 1974

The development of Arctic Canada's resources has historically been guided by two contrasting administrative approaches: one favoring the free play of profit motives in a laissez-faire market economy and the other the coordination of development through formalized government planning. In both approaches, Eurocanadians are the dominant figures, while Eskimos are depressed and subservient. Against this background, a third approach to development is emerging -- the Arctic cooperative movement -- with the objective of encouraging Eskimos to participate directly in the development of their communities.

Pelly Bay, an isolated Eskimo community on Simpson Peninsula, joined the Arctic cooperative movement in 1966. Its program is one of the most ambitious of the Arctic coops involving tourism, commercial fishing, and air transport. To date, coop ventures have been successful; community morale is high and coop revenues continue to increase. Yet, local initiative is often curtailed by poor communication between the village and the myriad of government agencies regulating Northern development.

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PELLY BAY, N.W.T.: PROFILE OF A COOPERATIVE COMMUNITY

Kenneth D. Jensen

The development of Arctic Canada's resources has historically been guided by two contrasting administrative approaches: one favoring the free play of profit motives in a laissez-faire market economy and the other co-ordinating development through formalized government planning.[1] In both approaches, Eurocanadians are the dominant figures, while the Eskimos are depressed and subservient.

Under the laissez-faire philosophy, private developers are allowed a free hand in extracting the resources of a region and in dealing with the Eskimo. What all too often results from this philosophy is the subordination of Eskimo interests to the quest for quick profits by transient whites. In the planned economy, the Canadian Federal Government operates in a paternalistic manner, protecting Eskimos from economic exploitation, but excluding them from resource development decision-making.

Against this background, a third approach to development is emerging in the Canadian Arctic--the Arctic cooperative movement.[2] In 1959, the first two Arctic cooperatives were incorporated. Within the next decade, twenty-seven more were organized by the Eskimos with the assistance of the Federal and Territorial governments. Their main objectives are to provide a means of encouraging Eskimos to participate directly in the economic development of the Arctic through the promotion of cooperative ownership and enterprise and to provide a method of maximizing economic returns in Arctic communities from local business and enterprise.[3]

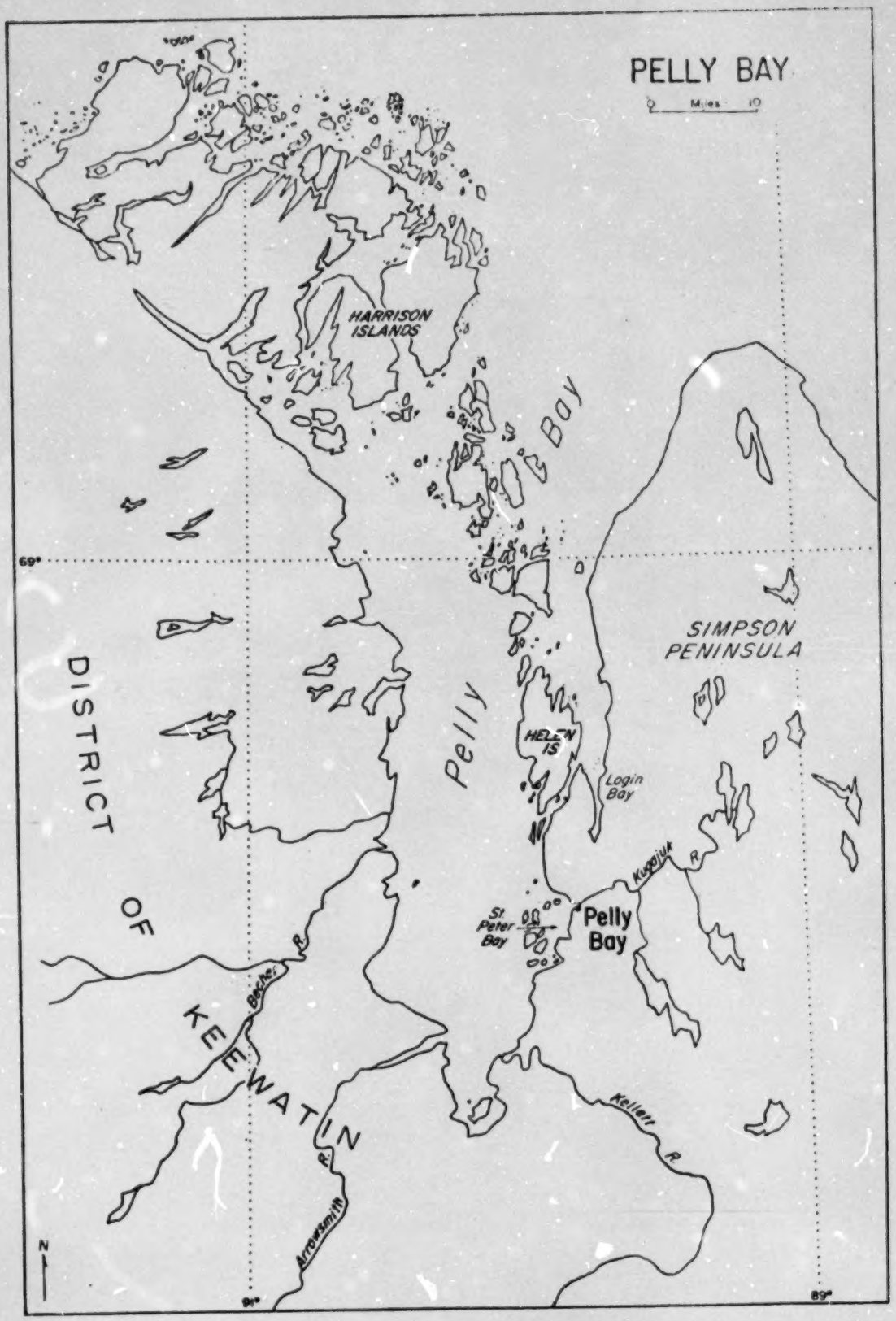
How well one village coop is faring in the Canadian Arctic is the subject of this paper.

ENVIRONMENT AND CONTACT HISTORY

Pelly Bay, the southwestern arm of the Gulf of Boothia, is located east of Simpson Peninsula in the Northwest Territories (Fig. 1). The village of Pelly Bay is nestled among the huge Precambrian rock outcrops running along the southwest coast of Simpson Peninsula at approximately 68° 53' north latitude and 89° 51' west longitude.

Pelly Bay lies well within the tundra climatic and vegetation zone. The mean daily temperatures for January and July, approximately -20°F and 45°F respectively, limit vegetation growth to a typical tundra environment of hearty shrubs, tufted grass, and lichens and mosses. Yet, despite the greatly restricted season of plant production an adequate land and marine wildlife population is native to the region. Hunting conditions were extremely good in aboriginal times. The Eskimos told Rasmussen, the Danish explorer-ethnographer, they knew nothing of hunger and times of distress. Their hunting year was evenly divided between caribou, musk-oxen, seals and salmon, and if one occupation failed they always had another to fall back on.[4]

Both the ringed and bearded seals are available in Pelly Bay while, during the fall, the rivers abound with Arctic char, a member of the salmon family. Prior to the introduction of firearms, large herds of caribou migrated to Boothia Peninsula during the summer, and throughout the year herds of musk-oxen grazed on the tundra south of Pelly Bay. Arctic foxes, impor-


PELLY BAY
0 Miles 10
HARRISON ISLANDS
Pelly Bay
SIMPSON PENINSULA
DISTRICT OF KEEWATIN
HELEN IS
Login Bay
Kuggiuk R.
St Peter Bay
Pelly Bay
Baker R.
Kellett R.
Arrowsmith R.
N
69°
94°
89°

tant in the contact economy, are common near the ice-edge along the northern boundaries of the bay.

The area surrounding Pelly Bay is inhabited by the Arviligjuarmiut (the people of the big one with the whales). The name is derived from a mountain formation whose outline resembles whales on the surface of the water. The name refers singularly to this topographic feature, for whales played no role in the Arviligjuarmiut's subsistence economy.

The Arviligjuarmiut are the eastern branch of the Netsilingmiut, or "people of the seal". In aboriginal times, the Netsilingmiut were a loosely organized group, sharing a common mode of living and freely intermarrying. When Rasmussen first contacted them in 1923, they numbered 259 people, with 54 of this total living around Pelly Bay.[5]

Historically, the vast expanses of sea-ice and tundra separating Pelly Bay from Eurocanadian outposts played an important role in tempering the nature and intensity of contact. Year-round ice conditions in the Gulf of Boothia prevented penetration of Pelly Bay by sea, while overland journeys across the tundra were, and still are, both hazardous and costly.

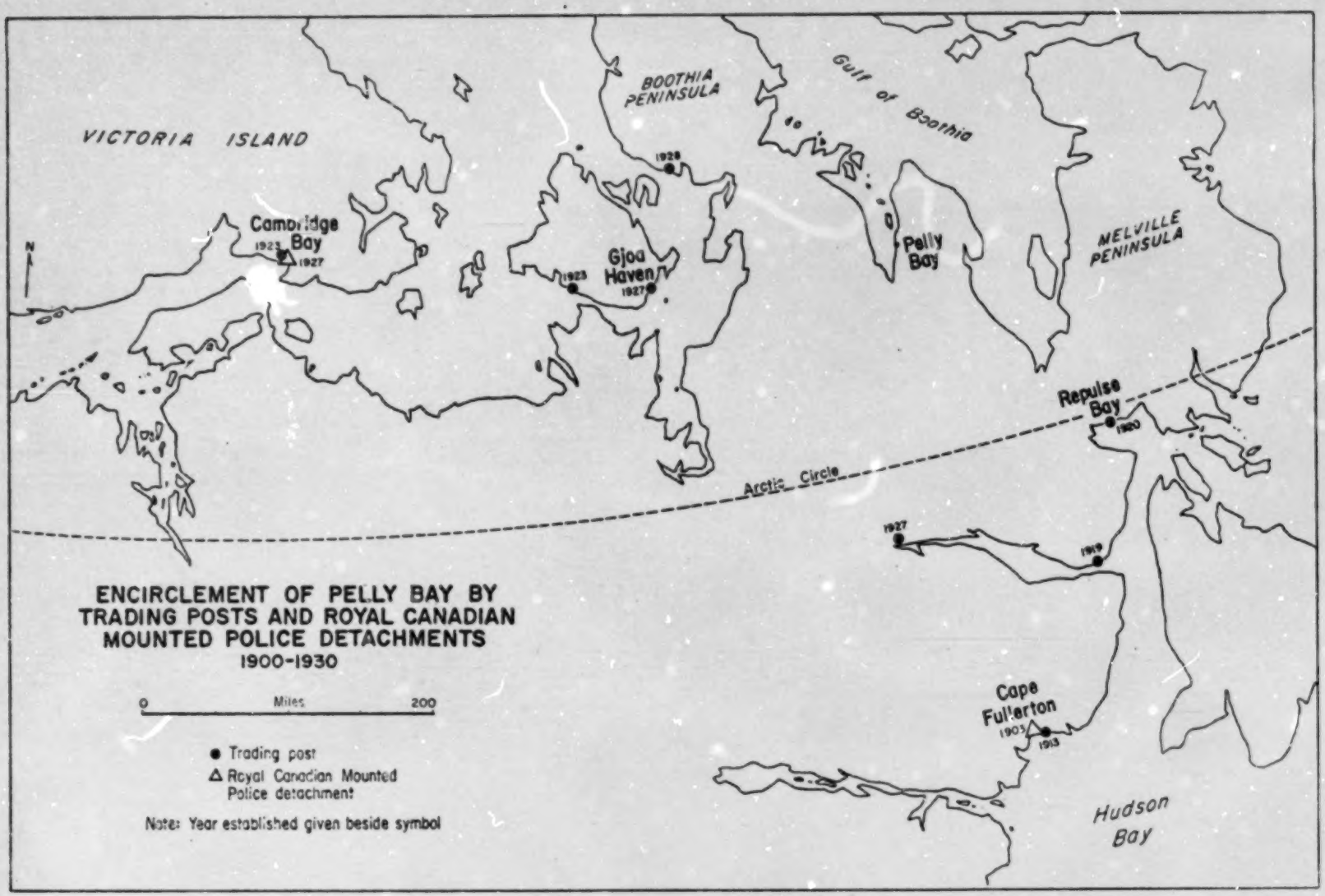
As a result, the Arviligjuarmiut were spared the disruptive influences of the whalers and early traders. Furthermore, neither the commercial trading interests nor the Royal Canadian Mounted Police (RCMP) have ever established operations at Pelly Bay. The only permanently based Eurocanadian institution operating among the Arviligjuarmiut until the post World War II period was the Roman Catholic mission, founded in 1935.

When the anthropologist, Balikci, studied the Arviligjuar-

miut in 1959, Pelly Bay remained one of the most isolated, self-sufficient communities in Arctic Canada with only a minimum of participation in the market economy. Balikci categorized their methods of procuring a livelihood as a ". . . transformed subsistence economy . . . characterized by highly successful rifle sealing, net fishing and the absence of systematic trapping with traplines."[6] Nevertheless, the encirclement of the region (beginning in the 1920's) by trading posts and police detachments increasingly drew the Arviligjuarmiut into Euro-Canadian spheres of influence and altered basic ecological patterns (Fig. 2).

The establishment of Hudson's Bay Company posts at Repulse Bay, 200 miles southeast of Pelly Bay, and at Simpson Strait on King William Island provided the Arviligjuarmiuts regular access to firearms, ammunition, and iron utensils. When Rasmussen visited them in 1923, he noted important changes in their material culture and hunting efficiency. Armed with rifles, the Eskimos killed more caribou and musk-oxen in a few moments than was possible all season long with spears and bows. Rasmussen's account of the destruction resulting from a rifle caribou hunt parallels the ecological disasters reported elsewhere in the Arctic:

> A shout resounded through the camp and, when we all rushed out, we saw the first great herds of caribou coming trotting down over the hills east of the settlement . . . All the men seized their guns and hunting bags, and a moment later they lay concealed here and there among the hummocks that the animals would have to pass. This was the first real caribou massacre of that autumn, and therefore they approached unsuspiciously at the same quick trot down towards the shore, until a deafening volley of rifle fire suddenly checked them all. . . . Shot after shot cracked, animal after animal tum-


VICTORIA ISLAND
BOOTHIA PENINSULA
Gulf of Boothia
MELVILLE PENINSULA
Cambridge Bay
1923
1927
Gjoa Haven
1923
1927
1928
Pelly Bay
Repulse Bay
1920
Arctic Circle
1927
1919
Cape Fullerton
1903
1913
Hudson Bay
N
ENCIRCLEMENT OF PELLY BAY BY TRADING POSTS AND ROYAL CANADIAN MOUNTED POLICE DETACHMENTS
1900-1930
0
Miles
200
Trading post
Royal Canadian Mounted Police detachment
Note: Year established given beside symbol

46

> bled over among their terror stricken companions, until the whole cavalcade split up into a number of small flocks as if by prearrangement and galloped back to the interior of the island.[7]

In a few years, the slaughter took its toll on the great herds. By 1930, the caribou no longer migrated to their summer grazing grounds on Boothia Peninsula.[8]

The Arviligjuarmiut were fortunate to have ample seal and fish resources available to offset the reduction of caribou meat. But the scarcity of caribou skins for winter clothing created new problems of adaptation requiring lengthy hunting trips to the interior, south of Pelly Bay, and a growing dependence on the trader's imported clothing. Trading post clothing is a poor substitute for the insulated caribou skin garments and is usually worn by the women and children. The men require the protection of the caribou skins in order to spend long hours in the open hunting and checking traplines.

RCMP detachments encircled the Arviligjuarmiut approximately the same time as the trading posts and Rasmussen's report reveals the Eskimos' early concern about their independence in relation to the police. An Eskimo involved in a village killing related his fears to Rasmussen:

> . . . I was told that white men would come up from Cheesterfield and take me away to punish me in the white man's way. White men were masters in our country and they would take me home to their own land, where everything would be wild and strange to me.[9]

Another Eskimo discussed the many problems that arise when a man lives the life of a hunter in freedom under his own responsibility. He felt it was necessary to live according to

one's own customs, but contact made this difficult and "His countrymen . . . were often apt to have a bad conscience whenever they met white men."[10]

The impact of the RCMP as an agency of cultural change is difficult to assess in the case of Pelly Bay. The above statements indicate an awareness by the Eskimos of the police's ultimate authority in matters of social control. Yet, the geographical isolation separating Pelly Bay from the regional police detachments diminished their impact on the daily lives of the Arviligjuarmiut. Only after 1950, when the RCMP were permanently stationed at Spence Bay, have regular yearly patrols visited Pelly Bay.

The Roman Catholic mission, founded in 1935, is the central Eurocanadian institution in the contact history of Pelly Bay. The resident priest remained the only white inhabitant among the Arviligjuarmiut until a school teacher, hired for the newly constructed government elementary school, arrived in 1962. In the absence of other contact agents, the missionary assumed a dominant position in community decisions. In the words of Father Van de Velde, the veteran missionary at Pelly Bay:

> Once a missionary has been accepted and adopted by a tribe, he possesses considerable authority. They will listen to him voluntarily and conform their conduct with his teachings: the adults as well as the children.[11]

The missionary's influence stemmed from his central role in a number of community activities. He performed religious duties, provided medical care, and instructed the Eskimos in the rudiments of formal education and Canadian law. In addition, the mission housed a small trading store in order to reduce the need

for long journeys to Hudson's Bay Company posts. The store stocked only the basic essentials: ammunition, iron tools, tea, tobacco, sugar, lard, flour, and imported clothing.

The Arviligjuarmiut were fortunate in their relationship with the evangelizing component of Eurocanadian culture on two counts. First, their community was never fragmented by the competition between rival missionaries residing among them, and second, the resident missionaries, Father Henry and later, Father Van de Velde, wisely used their influence to promote the Eskimos' reliance on local food resources and to limit their involvement with trapping and the market economy.

Father Henry encouraged the Eskimos to maintain their harpoon throwing and bow and arrow skills by regularly organizing contests with prizes.[12] Both missionaries discouraged intensive trapping and trading for nonessential items. In the mid 1950's, when a Distant Early Warning (DEW) site was being constructed 12 miles southeast of the village, Father Van de Velde judiciously counseled the Eskimo men not to abandon their hunting cycle for wage employment.

Father Van de Velde's action was well-founded. The disruptive effects of the DEW line upon the Western Canadian Arctic Eskimos are described in a special report by Ferguson.[13] During the construction phase, the diets of the workers' families deteriorated. Eskimo fathers, working full-time, ate at the mess halls while their families relied on expensive imported Hudson's Bay Company food. The Eskimo men performed unskilled tasks and, of course, once the site construction was completed their jobs

The Roman Catholic mission erected by Father Henry in 1936.

The present mission complex.

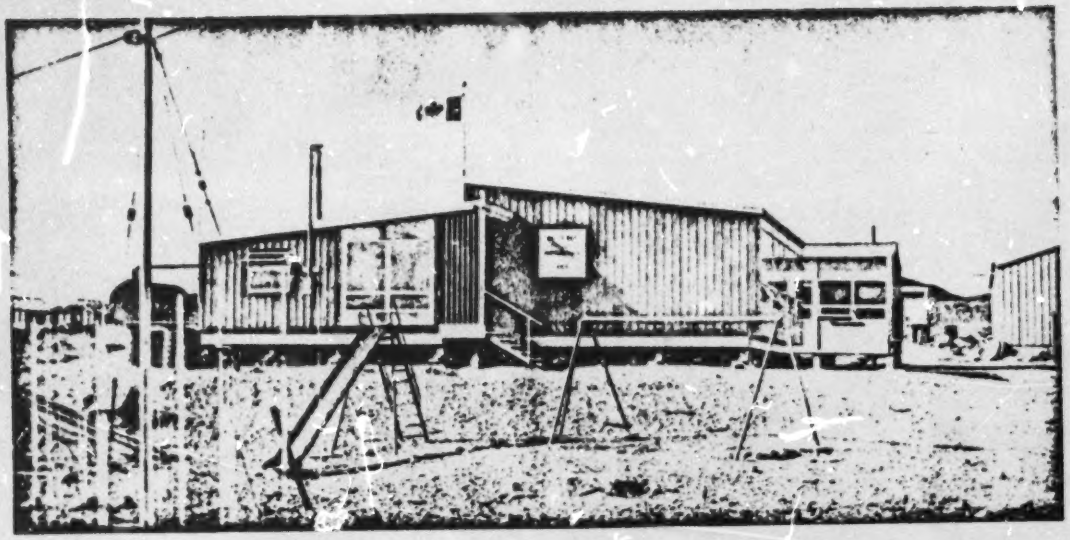
ended, leaving them to face the difficult problem of readjustment to a subsistence economy with limited opportunities for making a cash income.

Thus, due to the special combination of environmental and historical factors, the Arviligjuarmiut never received the full brunt of the disruptive forces of disease and exploitation that decimated populations and destroyed the native social organization of more accessible Eskimo communities. Among the Arviligjuarmiut, native institutions of leadership and community control remained intact serving as the foundations for the modern community to build upon.

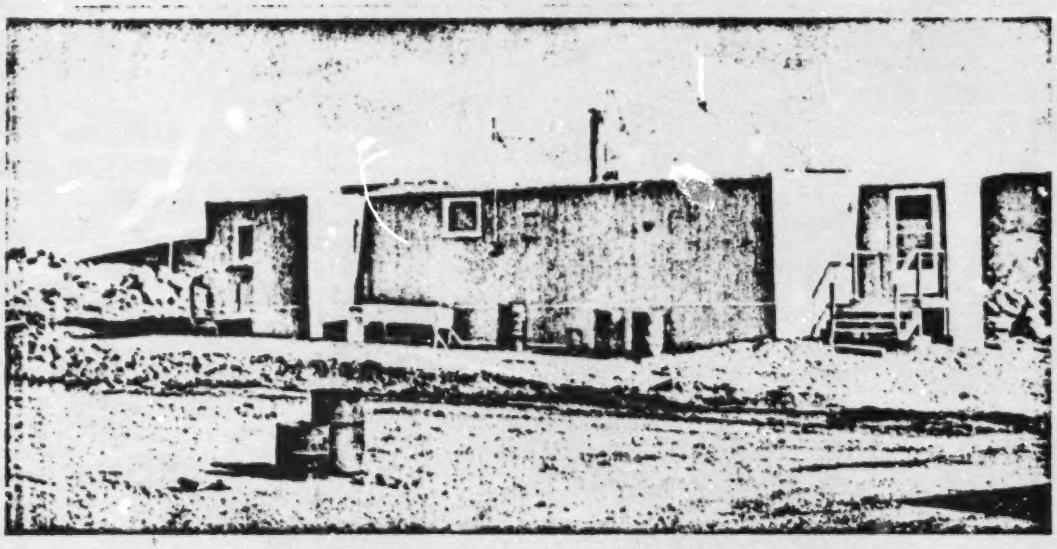
THE MODERN COOPERATIVE BASED COMMUNITY

Government sponsored community development programs in education, health, welfare, housing, and wage employment are bringing about dramatic changes in the isolated, self-sufficient Pelly Bay community Belikci described in 1959. Together these programs are producing changes in the educational attainment, settlement pattern, resource utilization, population and, most importantly, in the Eskimos' attitudes and expectations about the future status of their community.

To begin with, a majority of the Eskimos under twenty-five can, today, converse in English as a consequence of attending the federal school built in 1962. Prior to 1967, the only permanent buildings in the settlement belonged to the mission and the government. The Eskimos still lived in igloos during the winter and tents in the summer. Then in 1967, the Federal Government provided Pelly Bay with thirty-two new homes under the



The Federal day school offering grades 1 - 6.



The Pelly Bay nursing station.

Eskimo Rental Housing Project. Rents are prorated on the basis of a family's ability to pay. In 1969, the government located a medical clinic in the community and staffed it with a qualified nurse, thereby replacing and expanding the medical services previously supplied by the mission. Cases requiring intensive care are airlifted to Cambridge Bay or Yellowknife where doctors are on duty.

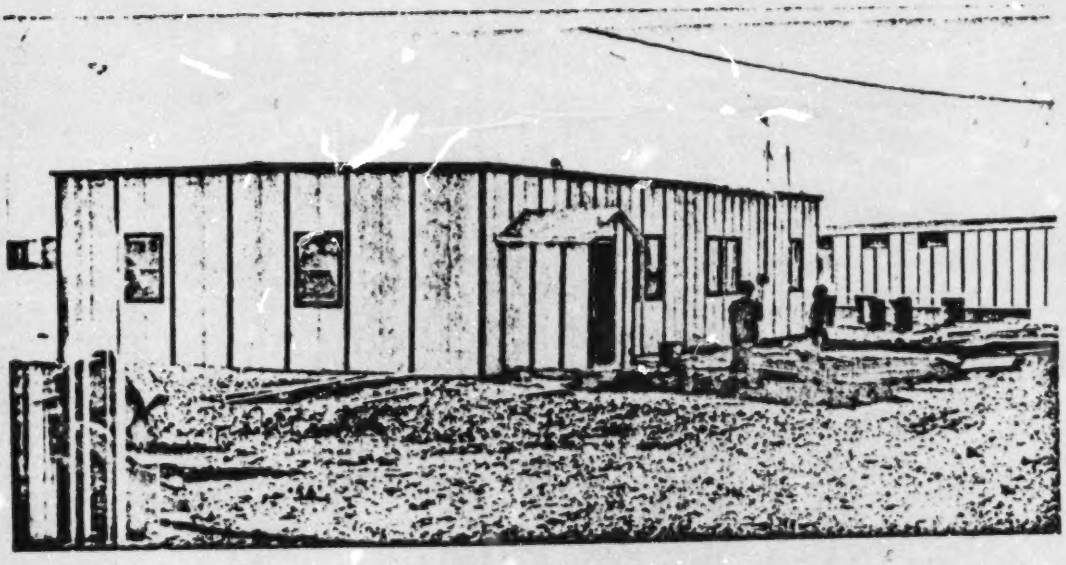
All toll, the addition of the school and medical clinic added three whites to the community. This number, combined with the two priests, one brother, and two nuns serving the mission, brings to eight the number of whites residing in Pelly Bay.

A coop, introduced in 1966, has become the major institution for economic and social change at Pelly Bay. The first priority of the coop is to satisfy the immediate, basic needs of the community for an Eskimo-owned retail store and for a producers' coop to encourage local industry. The retail store or consumers' coop supplies the community with food and dry goods, while the producers' branch purchases handicrafts from the community artisans and meat, fish, and furs from the hunters.

Currently, the Eskimos through their coop are venturing into three new areas: commercial air transport, tourism, and large-scale commercial fishing. If these activities achieve their expected potential, the economy of Pelly Bay will be totally revolutionized.

Lastly, the rapid population growth at Pelly Bay from 120 in 1959 to approximately 200 in 1971 is tangible evidence of the improvements occurring in health services, education, and the

The Kommiut Co-operative retail store.



Construction of the new co-op retail store with office building in background.

economy. Nearly fifty percent of the population is under fifteen years of age.

In terms of promoting Eskimo sufficiency in economic and social organization, the coop is clearly the most significant development at Pelly Bay. Its economic and organizational structure forms the basis of the modern community.

The Koomiut (people of the river) cooperative was incorporated in August of 1966 after consultation between government cooperative advisors and community leaders. An initial loan of approximately $16,000 by the Department of Indian Affairs and Northern Development's Eskimo Loan Fund provided the early financial backing for the enterprise. At present, every family at Pelly Bay is a member and all decisions are made through the elected board of directors and executed by the coop manager and his staff.

The five member board of directors is the pivotal body within the coop organization. The directors are the spokesmen for the membership in dealing with the coop's employees, and in formulating policies and assuring that they are carried out.

Each director is elected by the membership for a three-year term. It is the directors' responsibility to consider the members' views and to inform them of decisions made at the weekly board meetings. The Eskimos feel the weekly meetings are necessary to keep issues from piling up. Once a year, the entire membership meets to hear the directors' progress report on coop activities, to select replacements for directors whose terms have expired, and to review future plans.

The board is made up of traditional leaders respected in

the community for their hunting skills and general leadership abilities. Their average age in 1966 was 47 years, and in 1971, 40 years. The directors' lack of formal education, fluency in English, and in record keeping limits their effectiveness in dealing with certain technical problems of the coop. Yet, at the same time, these traditional leaders are indispensable in organizing community support for the coop projects.

The directors are assisted by the secretary-treasurer who is in charge of accounting, correspondence, and the keeping of minutes at all meetings. In the absence of qualified Eskimos, the two village priests, Fathers Gousseart and Larson have filled this position since the inception of the coop.

The actual day-to-day operation of the Koomiut Coop retail store and the purchasing of the members' products is the responsibility of the general manager and his staff. All are young men in their twenties who speak fluent English and have received some vocational training in southern Canada. The general manager, John Ningark, graduated from the three-month program for cooperators at the Western Cooperative College in Saskatoon, Saskatchewan.

Since its inception in 1966, the Koomiut Cooperative has successfully expanded its economic activities each year. Table 1 charts the overall growth for the first four years. The sales column includes revenues from the major coop activities: retailing, government construction and service contracts, and the marketing of local products. The retail store is the core activity of the coop contributing approximately 65 percent of the sales revenues. Retailing is followed in importance as a revenue

TABLE I-ANNUAL REVENUES OF THE KOOMIUT COOPERATIVE, 1966-1970

YEAR	SALES	NET SAVINGS	PATRONAGE REBATE
1967	$144,092	$ 3,387	$ 2,582
1968*	233,643	8,168	6,378
1969	191,874	13,067	10,507
1970	243,286	15,845	13,380

*The large earnings for 1968 include building supplies in the amount of $70,000 for the new mission at Pelly Bay.

SOURCE: Annual Reports of the Koomiut Cooperative

source by the income from a government contract to supply municipal services to the community. In 1970, the coop received $48,000 to provide water and fuel oil delivery, garbage pick-up, and sewage disposal for the thirty-two homes built by the Eskimo Rental Housing Project in 1967.

The coop is making modest gains in the marketing of local products, but revenues are still well below those from retailing and government contracts. Total revenues paid by the coop for handicrafts, mainly soapstone and ivory carvings, increased from $13,000 in 1967 to $25,000 in 1970, and have replaced the contact economy occupation of hunting and trapping as a source of cash income. In 1970, thirty-two women and thirteen men sold handicrafts and carvings to the coop. Individual incomes ranged from less than $100 to a high of $2250. In contrast, twenty hunters and trappers earned approximately $10,000 collectively for their furs and sealskins.

The coop regularly purchases fish and meat from the hunters for sale in the retail store. This service allows traditional hunters to market their surplus and receive a limited cash income. At the same time, the fish and meat market stimulates consumption of local foods by members of the community who are full-time wage employees.

Sales revenues and economic activities are one way of evaluating the coop's impact on the community. Equally important is the wage income generated through the coop for its employees.

Twelve Pelly Bay Eskimos are classified as full-time wage employees. Five work for various government agencies operating in the community and seven are employed by the coop. All told,

the coop paid out $26,400 in salaries for its employees in 1970. In addition, coop related enterprises provide the majority of the cash income--$35,000 in 1971--for the carvers, hunters, and trappers.

The patronage rebate (column 3 Table 1) is another means of distributing wealth through the coop to the active members. After the coop's yearly savings are determined, a member receives a rebate computed on the cash amount of his business with the coop. Currently, the Koomiut Coop's policy is to pay a member half his rebate in cash and credit the other half to his share of capital in the coop. In this way, a member increases the amount of his personal savings in the coop, while the coop does not lose the use of the savings for further expansion.

NEW DIRECTIONS: PROBLEMS AND PROSPECTS

The economic accomplishments achieved by the Eskimos through their coop in the first few years of its operation are considerable, especially when measured against the level of development at Pelly Bay in the 1950's. But, despite these gains, the present sources of cash income are insufficient to keep pace with the greater consumer demands of the Eskimos and their growing population. Therefore, the coop leadership is working to build a stronger economic base by venturing into new producer activities designed to expand area resource use and to capitalize on the opportunities federation with other Arctic coops will create.

In 1971, the Koomiut Coop launched the most ambitious undertaking of any Arctic coop by purchasing a DC-4 aircraft in

partnership with an experienced Canadian bush pilot. The rationale for acquiring a large aircraft is sound. Recall that Pelly Bay is icebound by the Gulf of Boothia throughout the year and that all trade items were carried by dog-sled or snowmobile from neighboring trading posts. However, with the dramatic changes in economy and lifestyle initiated by government development programs in the 1960's, the volume of freight moving into and out of Pelly Bay increased considerably, beyond the limited capacity of sled transport. By 1970, the coop was paying out nearly $50,000 per year to commercial airlines for transportation services.

The economic feasibility of the DC-4 is not based on income from the present transport needs of Pelly Bay alone, although this is an important source of revenue. Rather, the coop purchased the plane as a means of developing new income sources well beyond the limits of the present economy.

To begin with, commercial fishing remained an untapped resource at Pelly Bay until the fall of 1971. Without a processing plant or an aircraft readily available to fly the frozen fish to southern Canadian markets, all fishing was for local consumption. But today, Pelly Bay has the beginnings of a thriving commercial fishing industry as a result of the DC-4 and the acquisition of a portable fish processing plant loaned to the coop by the Department of Indian Affairs and Northern Development.

When in full operation, commercial fishing is expected to provide five months employment, between July and November, for twenty Eskimos: eight in the processing plant, ten fishing, and two hauling in the catch. The coop estimates the annual gross

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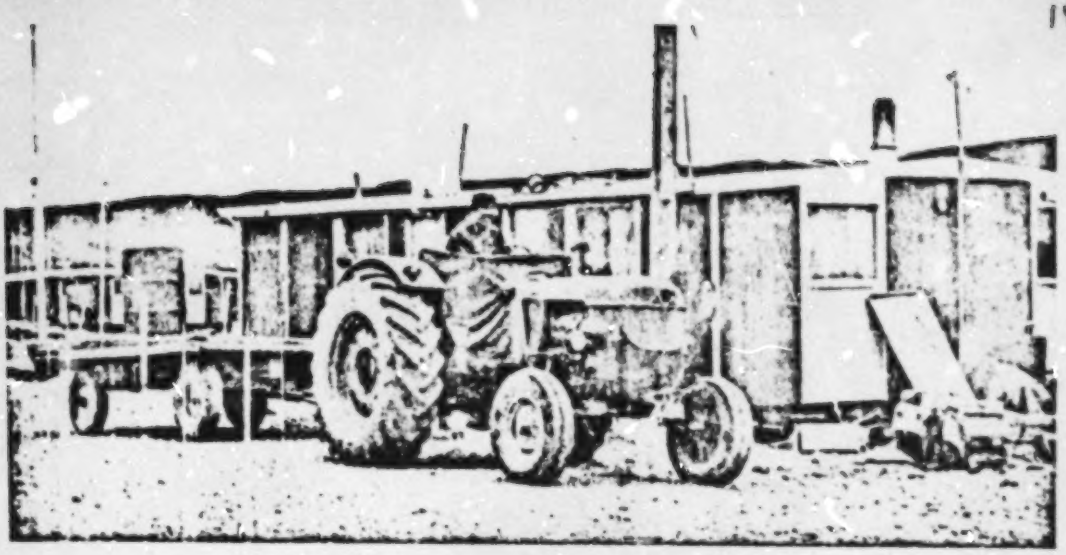
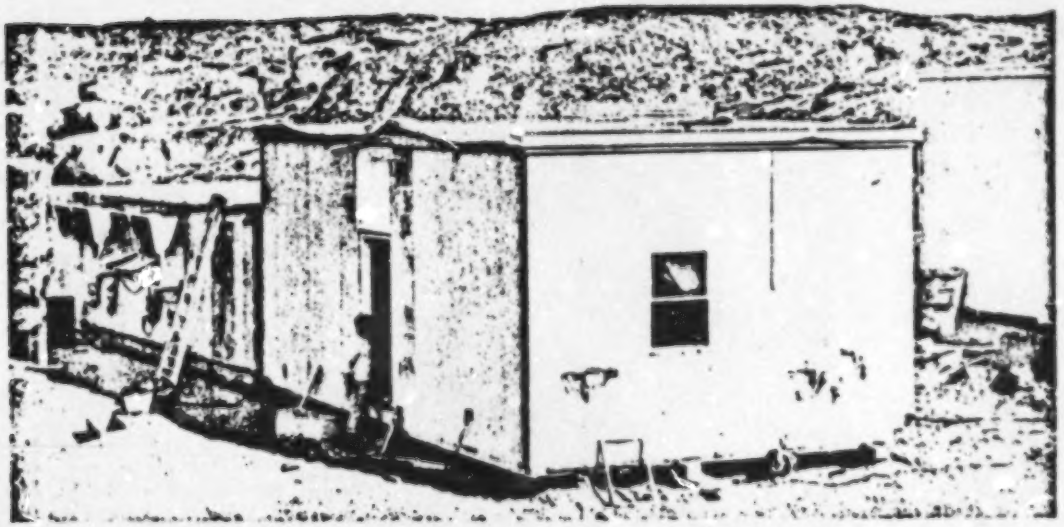


Co-op operated garbage disposal servicing one of the homes of the Eskimo Rental Housing Project.



Construction of the fish processing plant in August of 1971.

income from the sale of fish could be as much as $120,000. This estimate is based on the average annual catch in the years prior to 1970 when thousands of pounds of fish were fed to the large dogteams maintained by the Eskimos. Following the introduction of the snowmobile, the dog population at Pelly Bay has dropped from nearly 300 in 1967 to 40 in 1971.

Tourism is another new source of employment and revenue made possible by the coop owned aircraft. The coop initiated a sport fishing program in 1971 to coincide with the late summer char run. Fishermen from southern Canada and the United States pay a package price of $1,000 for a week at Pelly Bay. The fee covers round trip air passage between Edmonton, Alberta, and Pelly Bay on the DC-4 plus lodging, food, guides, and motor boats. The coop expects to be able to accommodate twenty fishermen per week during the eight week period in late summer when sport fishing is especially good. When fully developed, the operation will employ fifteen Eskimos as cooks, maids, and guides.

The sport fishing program will complement the other late summer economic activities at Pelly Bay by helping to maximize the efficiency of the aircraft. Frozen fish from the commercial fishery are flown to Edmonton weekly. The sport fishermen, plus supplies for the coop store, can be carried on the return flight and thus assure the aircraft full operating capacity both ways.

Finally, the planners at Pelly Bay did not overlook the possibility of the DC-4 serving other coops in a federation. The Koomiut Coop addressed a letter to several neighboring Arctic coops suggesting the advantages in freight savings and in the development of local resources similar to the fishing industry

at Pelly Bay that could be realized through the coordinated use of the DC-4.

The purchasing of the aircraft and the expansion into tourist and commercial fishing industries are outstanding examples of local decision-making and determination. The decision to push for the new industries was made independent of government directives.

A commercial fishery had been the dream of Pelly Bay Eskimos for at least ten years prior to its approval by the government in 1971. On several occasions, the Eskimos through their priest, Father Gousseart, requested the Federal Fisheries Research Board to conduct a resource inventory and officially verify the abundant reserves of fish at Pelly Bay and in the surrounding rivers and inland lakes.

The study, when finally approved, coincided with the construction of the fish processing plant in August of 1971. As a result, a meager 25,000 pound quota (2-3 weeks fishing) was imposed on Pelly Bay until the findings of the study could be interpreted. The Fisheries Board is operating under the limitations of a small budget, as a House of Commons fact-finding committee discovered, and is not totally to blame for the delay.[14] Nevertheless, the poor timing of the study placed a burden on the Eskimos. They had planned on the income from a longer fishing season to help meet the financial obligations of their new aircraft.

Coop plans to establish Pelly Bay's sport fishing industry have likewise had to be altered to meet government building codes. Unaware of specific regulations regarding room size for

tourist quarters, the coop constructed a frame-tent camp to accommodate twenty fishermen, only to have the structures condemned by government inspectors. But, instead of giving up the program, the Eskimos are responding by moving into summer tents and allowing the fishermen to occupy their homes. If tourism grows as expected, the coop intends to build a modern lodge.

The people at Pelly Bay desire to work as equal partners with their government in the management of new commercial ventures. They recognize the need to assure the safety of tourists who visit their community and for scientific management of the fishing industry. These principles are wholeheartedly accepted. What they don't understand is why communication between their community and various government agencies cannot be improved, especially the timing of government decisions to complement instead of retard local initiatives.

Furthermore, the people at Pelly Bay recognize the necessity to succeed in the independent course they have chosen. They are well aware that developments in their community are being closely watched by people in government and industry. The following discussion in the Council of the Northwest Territories between Mr. E.A. Ballantyne, the Territorial Director of Industry and Development, and Mr. W.W. Phipps, a council member, is one such example of the attention Pelly Bay is attracting.

> MR. PHIPPS: One other question while I have the floor. I heard a rumour that the Pelly Bay Co-operative is getting in two private aircraft, DC-4's. Do you know anything about this?
>
> MR. BALLANTYNE: I too, have heard such a rumour, Mr. Chairman.
>
> MR. PHIPPS: Well, if the Territorial Government is backing these co-operatives to a great extent what major control do we have over for instance, co-operatives buying DC-4's?

MR. BALLANTYNE: Mr. Chairman, our backing of co-operatives with the exception of the two that I have just mentioned is not a financial backing at all. By the federal legislation for co-operatives each province or jurisdiction must appoint a supervisor of co-operatives. This appointment was held by the Federal Government until they transferred it to us. It is now held by an officer in my department. It gives a certain obligatory responsibility in provision of reports, supervising and auditing of their financial records. It does not give us the opportunity to interfere in their own internal arrangements. The opportunity to interfere, other than on an advice basis, is purely confined to those co-ops to which from time to time with Council's authority we have actually provided financial assistance. With reference to the Pelly Bay aircraft we have no right to veto such a thing. They did discuss it with us, we pointed out the financial implications, we also pointed out the implications of the Air Transport Board regulations. It is my understanding that the use of this aircraft will be to move goods which represent part of the stock-in-trade business of two or three of the Arctic coast co-operatives which to some degree are now not being moved. I believe they have, or are preparing to seek, the necessary Air Transport Board authority for it and that Board is really the only agency in Canada that has the jurisdictional rights to approve or not approve their intended use of the aircraft.

MR. PHIPPS: What I can see, Mr. Ballantyne, the Air Transport Committee will have no jurisdiction whatsoever over that aircraft because it is going to be a private aircraft and they only have jurisdiction over commercial aircraft. I think it will be sheer lunacy for any co-operative to venture into a DC-4 operation. One engine is going to cost $30,000 if they lose it, now how many co-operatives are making this kind of money. They can get themselves into very serious financial difficulty, besides I think if you are getting into that type of aircraft operation it is going to cost you 1500 hours a year utilization. They would have to have an income from the aircraft somewhere around half a million dollars a year for this. I cannot see how any co-operative in the Arctic can ever get into such an operation and hope to come out of it.

MR. BALLANTYNE: Mr. Chairman, I can see Mr. Phipps' concern on this. We did hold discussion with the co-op concerned pointing out some of these financial implications. In the end product though, I have not received official advice of it. I would suggest that they have elected their democratic rights to tell the Government it is none of their business, none of our business, and at that point our legal authority as supervisor of co-ops does not permit us to stop them doing it. I believe there is more than one co-operative involved in it, and the resources of these co-ops are fairly extensive. They of course have asked for and received no

backing from the Territorial Government for the acquisition or the operation of the aircraft. . . .

It is very important that we realize that these co-operatives receive not one penny of assistance from the Territorial Government. . . . A totally independent co-op whether it be at Dorset, Pelly Bay or Holman Island is totally independent of government assistance and we have no more right, legal right or moral right for that matter, to interfere in their internal affairs, than we have in that of any other corporation in the Northwest Territories. . . .

MR. PHIPPS: Mr. Chairman, I would like to go back to the DC-4 for a minute, if I may.

Even though Mr. Ballantyne did say that this Government will not support the co-op financially, I still feel that we are liable indirectly, because if any of these settlements do get into financial difficulty, we will end up paying the welfare. Also, I agree with Mr. Ballantyne, that we cannot say no, but at the same time I think they should be bound to take some advice. I think if you look at a DC-4 operation, even based on a thousand hours a year, which is about the minimum on that type of aircraft, it is capable of moving fifteen to twenty thousand tons. Now where are they going to get this tonage, I do not know. . . .

Indirectly, I still feel that we are going to be liable to an extent, even if it is in the way of welfare that we would have to pay. I think they should be bound to take our advice to a certain extent.[15]

The above exchange serves to dramatize the importance of Pelly Bay's experiment. At stake is the right of local decision-making and with it the means to achieve a more equitable distribution of the Arctic's wealth for the benefit of local people. The success of Pelly Bay in the management of its economy will have lasting impact in creating a new environment where Eskimo communities can exercise their freedoms to chart their own destinies.

[1]See for further discussion: Jim Lotz: Northern Realities (New Press, Toronto, 1970) and K.J. Rae; The Political Economy of the Canadian North (University of Toronto Press, Toronto, 1968), Chpt. 12.

[2]Source by author

[3]Cooperative Services Section: Eskimo and Indian Cooperative Development Programs in Canada (DIAND, Ottawa, 1970), p. 1.

[4]Knud Rasmussen: Report of the Fifth Thule Expedition, 1921-24 (Gyldenclalska Boghandel, Copenhagen, 1931), Vol. 8, p. 22.

[5]Ibid., p. 84.

[6]Asen Balikci: Development of Basic Socio-Economic Units in Two Eskimo Communities (National Museum of Canada, Ottawa, 1964), Bulletin 202, p. 60.

[7]Rasmussen, op. cit. (see footnote 4 above), p. 78.

[8]Andrew Macpherson; The Caribou of Boothia Peninsula (Canadian Wildlife Service Report, Department of Northern Affairs and National Resources, Ottawa, 1960.

[9]Rasmussen, op. cit. (see footnote 4 above), p. 21.

[10]Ibid., p. 30.

[11]Franz Van de Velde: Religion and Morals Among the Pelly Bay Eskimo, Eskimo, Vol. 39, 1956, p. 16.

[12]Henry A. Larsen: The Northwest Passage, 1940-1942 and 1944 Queen's Printer, Ottawa, 1969), pp. 32-33.

[13]J.D. Ferguson: A Study of the Effects of the Distant Early Warning Line upon the Eskimos of the Western Arctic of Canada,

(Ms. in Department of Indian Affairs and Northern Development Library, Ottawa, 1957).

[14]Canada: Proceedings of the House of Commons Standing Committee on Indian Affairs and Northern Development, (20 April 1972), p. 21.

[15]Canada: Council of the NWT Debates, Session 45, 7th Council, (16 June 1971), pp. 112, 113, 118.

(Ms. in Department of Indian Affairs and Northern Development Library, Ottawa, 1957).

[14]Canada: Proceedings of the House of Commons Standing Committee on Indian Affairs and Northern Development, (20 April 1972), p. 21.

[15]Canada: Council of the NWT Debates, Session 45, 7th Council, (16 June 1971), pp. 112, 113, 118.